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SIPDIS

SENSITIVE
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DOJ PLEASE PASS TO BRUCE SWARTZ, BRIAN ROEHRKASSE AND
ANDREW BEACH; DHS PLEASE PASS TO DENNIS SEQUEIRA, MARC
SOREL AND CYNTHIA BERGMAN

E.O. 12958: N/A
TAGS: [EUN](#) [PREL](#) [PTER](#) [AU](#)
SUBJECT: SCENESETTER FOR THE MAY 3-5 VISIT BY THE ATTORNEY
GENERAL AND THE DHS DEPUTY SECRETARY

REF: A. VIENNA 1224
[1](#)B. VIENNA 540

CORRECTED COPY OF VIENNA 1224. CHANGES IN REFERENCE LINE AND
PARAGRAPH 18.

Welcome To Vienna

[1](#)1. (U) The Austrians are looking forward to your attendance,
and that of Deputy Secretary Jackson, at the May 3-5 JHA
Ministerials. These meetings constitute one of the more
significant events of the six-month Austrian Presidency of
the European Council.

[1](#)2. (SBU) Austrian-U.S. relations have a solid base in the
common values of democracy and civil rights. Austria's
international activities contribute to our shared vision of a
world of peace, freedom, democracy and prosperity. Austria
holds the rotating Presidency of the EU Council for the first
half of 2006, giving us the opportunity to work with the
government at an unusually high level of intensity.

[1](#)3. (SBU) Within the traditional "honest broker" role of the
EU Presidency country, Austria has used its chairmanship of
EU organs to focus attention on the economic and social
development of the western Balkans. Austria plays a vital
role in international peacekeeping missions there and
elsewhere. Austria especially stresses its engagement with
the new EU member states to its east. In addition, Austria
is promoting the U.S.-EU Transatlantic Partnership -- in
particular its economic aspects -- during its presidency.
Austria looks forwards to hosting the U.S.-EU summit in
Vienna this June.

The JHA Ministerials

[1](#)4. (SBU) The initial May 3 U.S.-EU Ministerial meeting is a
follow-on to the ministerial with European leaders that you
and Secretary Chertoff co-hosted in Washington last October.
Your primary host for this event will be Austrian Minister of
the Interior Liese Prokop. Minister of Justice Karin
Gastinger will co-host. You last met both of them in October
2005 in Washington.

[1](#)5. (SBU) The second ministerial on the morning of May 4 will
be the first-ever U.S.-Russia-EU multi-presidency meeting.

This will focus on JHA-related issues such as combatting terrorism and organized crime and corruption. Russian participants will include Minister of the Interior Nurgaliev, FSB Director Patrushev and Presidential adviser Viktor Ivanov.

¶6. (SBU) The final piece of the puzzle will be a massive EU-sponsored gathering of Ministers of the Interior from 27 EU member states and aspirants, plus those countries which border the European Union and which are the focus of the EU's new neighborhood policy. The Austrians proposed this meeting, and it is still a work in progress. The Austrians initially invited some 70 ministers, but now expect only half that number to attend. This offers the opportunity to meet bilaterally with some of your colleagues on the margins of the conference.

Political Situation

¶7. (SBU) Chancellor Wolfgang Schuessel's Austrian People's Party (ÖVP) governs Austria in coalition with the Alliance for the Future of Austria (BZÖ). Schuessel faces parliamentary elections in fall 2006. He remains more popular than his party, which has lost a series of state elections since taking office in 2000. However, the opposition Social Democrats, who have led in polls for more than a year, have suffered from the fallout of large speculation losses in a bank the Trade Union Association owns. The election, once an uphill battle for Schuessel, now appears to be a tossup. Still, Schuessel cannot hope to form a new government with his current coalition partner, which is in the process of disintegration. Many observers expect the elections to result in a grand coalition of the People's Party and the

Social Democrats, but a coalition of either of the major parties with the Greens is also a possibility.

Promoting Democracy and Freedom

¶8. (SBU) Under Schuessel, Austria has played an active role in advancing freedom and stability in the southeastern Europe. Austria's foreign policy agenda for the presidency starts in the Balkans, where Schuessel has been a solid partner for the U.S. Austria assumed a EUFOR command in Bosnia on November 30, 2005. The government has placed no caveats on the use of its 600 troops in Kosovo and over 300 troops in Bosnia. As EU Council President, Schuessel has facilitated progress on status questions in Kosovo and elsewhere. Austrian diplomats are playing key roles, working closely with the U.S. and with UN Special Envoy Martti Ahtisaari. A broader area of emphasis for the Austrian presidency is the EU's "New Neighborhood" policy. The Austrians have sought to promote democracy and reform in Belarus and share U.S. views on dictator Lukashenko.

¶9. (SBU) Austria has made modest but important contributions to stability in Iraq: police trainers at the Iraqi Police Academy in Jordan, humanitarian aid, substantial debt relief, and offers of export credit guarantees. The Foreign Ministry has sent a Special Envoy to Baghdad for the duration of Austria's EU Presidency. Austria has twice sent troops to Afghanistan, most recently in fall 2005 to assist the German Provincial Reconstruction Team in Konduz with election security.

¶10. (SBU) In the Broader Middle East, Austria has encouraged the identification of common values as a response to extremism. In November, Austria kicked off its presidency by hosting a conference on "Islam in a Pluralistic World," which Iraqi and Afghan Presidents Talabani and Karzai attended. This event reinforced the message of the Bahrain Forum for the Future conference and supported our broad goals. The Austrian presidency has also led the EU effort to encourage dialogue with the Muslim world in the wake of the Danish

cartoon controversy. In this connection, Austria will also host an April 7-9 Conference of European Imams, which EU Commission President Barroso plans to attend.

Economic Prosperity and Development

¶11. (SBU) Austrian business, especially in the financial sector, has delivered real benefits to the area between Austria and the Russian border. Austrian banks are important in the region, holding almost a quarter share of the region's banking sector. The stability they bring has been a basis for commercial investment and development. USG officials have been actively working with Austrian government and financial interlocutors on issues of concern relating to illicit finance, anti-money laundering/counter-terrorist financing and WMD proliferation in the region.

¶12. (SBU) The Austrian bank Raiffeisen has found itself in the spotlight because its subsidiary, Raiffeisen International AG (RIAG), was instrumental in the January natural gas deal between Russia and Ukraine. RUE was key in "unblocking" the dispute. RIAG serves as a trustee for two beneficial owners in the RUE joint venture with Gazprom. On April 25, RIAG confirmed that the beneficial owners were Ukrainian businessman Dmitry Firtash and Ukrainian banker Ivan Fursin. The Austrian press has speculated that Firtash is a close associate of Semyon Mogilevich, who is under indictment in the U.S. for money laundering.

¶13. (SBU) The Austrians are skeptical on Turkish EU membership, but have allowed accession talks to proceed. However, Schuessel has repeatedly emphasized that Turkey must meet all criteria for membership. Further, in his view, the EU also has a lot of "homework" still to do before it will be ready to absorb Turkey as a member state.

¶14. (SBU) Austrian firms have sought a strong presence in the Middle East. Austrian business has made strides in reestablishing itself in Iraq, and the Austrian government opened a small Trade Office in Erbil in December. Austrian Airlines was planning to become the first western airline to

institute regular flights to Iraq, but has postponed its inaugural flight because of the security situation there. Austrian development policy focuses on Official Development Assistance, committing resources to a few "priority countries" in order to maximize impact. The Austrians prefer to channel emergency response through the EU, although they made generous bilateral offers for assistance after Hurricane Katrina.

¶15. (SBU) Austria has traditionally had close commercial relations with Iran. An Austrian arms manufacturer sold high-power sniper rifles to Iran in 2005 before the Austrian government halted further deliveries. Iran recently shelved plans to open a large trade center in the Austrian state of Burgenland because of start-up difficulties.

Security Agenda

¶16. (SBU) Austria is a strong partner in stemming financial flows to terrorists. Our law enforcement cooperation with Austria has generally been flexible and effective. The Austrian government has made anti-corruption and law enforcement cooperation a cornerstone of the presidency. Austria had previously taken the lead for the EU in coordinating law enforcement activities in Central and Eastern Europe and Central Asia. Working with EU External Relations Commissioner Benita Ferrero-Waldner, a former Austrian Foreign Minister (and Schuessel protege), the Austrian EU presidency is encouraging stability and development in the region.

DOJ Activities

¶17. (SBU) The Legal Attache's Office has established an excellent working relationship with Austrian law enforcement officials. The office provided training and assistance to many senior officers, including Dr. Gert Rene Polli, Director of the Austrian Federal Office for the Protection of the Constitution and for Counterterrorism (BVT), who visited FBI headquarters in October 2005 and received special briefings on FBI Counterterrorism investigations. The Legal Attache's office also organized an Austrian BKA mission to New Orleans in the wake of Hurricane Katrina. In February 2006 Dr. Herwig Haidinger, Director of the Austrian Federal Criminal Office (BKA), visited Washington, San Diego and New York on a trip which included discussions on counter-terrorism, homeland security and Transnational and Organized Crime with the FBI. This April, the Legal Attache office hosted a Terrorist Financing seminar in Budapest for the Austrian BVT and other EU member countries. In addition, the Legal Attache hosted two other Counterterrorism seminars for Austrians and EU partners in the fall of 2005 in Washington. To date, 36 officers from the BKA and 4 from the BVT have attended the FBI National Academy.

DHS Activities

¶18. (SBU) The DHS/ICE office in Vienna services 13 countries in the region. Cooperation with Austrian law enforcement authorities is excellent and several investigations into organized crime groups involved in human trafficking/smuggling and child exploitation are ongoing. There have been recent successes in working with the Austrian government in the area of prevention and transfer of WMD and licensable technology being illegally smuggled through the region. The ICE Attache recently coordinated Operation Falcon, involving the execution of more than 120 search warrants in Austria on individuals suspected of child exploitation. Further investigation involve money laundering by two Austrians that defrauded European investors of over \$50 million are ongoing. The office is overseeing several high profile Balkan War Crimes offenders currently living in the United States. With direct flights to the United States, the ICE Attache office coordinates with Austrian Border Control regarding Customs and Border Protection issues and investigations of passport and identity fraud that occur on an almost daily basis.

¶19. (SBU) The DHS/CIS office covers a wide range of immigration services and benefits functions covering a 13-country area of Eastern Europe. Petitions and waiver applications adjudicated by CIS include: orphan/adoption applications, waivers of inadmissibility, requests for abandonment of resident status, immediate relative petitions and appeals associated with these applications. There is also a sizeable refugee caseload of Iranian religious minorities that are interviewed and adjudicated by the CIS staff. In fiscal year 2006 CIS will process approximately 2,000 refugees for resettlement in the United States.

Kilner